



**DRINKER BIDDLE & REATH LLP**

A Delaware Limited Liability Partnership

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Attorneys for St. Mary's Hospital, Passaic, N.J.

Debtor and Debtor-in-Possession,

Robert K. Malone (RM 1098)

Frank F. Velocci (FV 2185)

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY**

In the Matter of:

**ST. MARY'S HOSPITAL, PASSAIC, N.J.**

Debtor-in-Possession.

(Hon. Morris Stern)

Chapter 11

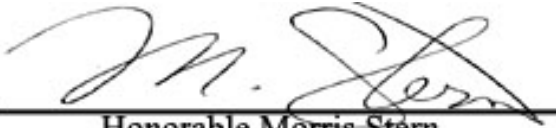
Case No. 09-15619 (MS)

**CONSENT ORDER FURTHER EXTENDING INTERIM MODIFICATIONS  
TO COLLECTIVE BARGAINING AGREEMENTS  
PURSUANT TO 1113(e) OF THE BANKRUPTCY CODE SUBJECT TO A  
RESERVATION OF RIGHTS**

The relief set forth on the following pages, numbered two (2) through five (5) is hereby

**ORDERED:**

**DATED: 11/10/2009**

  
\_\_\_\_\_  
Honorable Morris Stern  
United States Bankruptcy Judge

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Debtor: ST. MARY'S HOSPITAL, PASSAIC, NJ  
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**THIS MATTER** having been opened to the Court by St. Mary's Hospital, Passaic, N.J., the debtor and debtor-in-possession herein ("St. Mary's", "SMH" or the "Debtor"), by and through its attorneys, Drinker Biddle & Reath LLP, by way of Application in support of its Motion for an Order further extending interim modifications to collective bargaining agreements pursuant to Section 1113(e) of chapter 11, title 11 of the United State Code (the "Bankruptcy Code"); and the Debtor's unions, JNESO, District Counsel 1, IUOE, AFL-CIO ("JNESO") and Local 68, I.U.O.E., AFL-CIO ("Local 68") having agreed to the relief set forth herein, including a full reservation of rights, as is set forth herein; and upon due deliberation and for cause shown, it is hereby

**ORDERED**, as follows:

1. Commencing with the pay period starting October 11, 2009 through and including November 20, 2009, all union employees shall continue to incur a four percent (4%) pay reduction. In addition, all pay raises under any Union Contract that were scheduled to go into effect are suspended, and shall spring back into effect upon expiration of this Order, unless otherwise extended by this Court.
2. Continuing with the pay period starting October 11, 2009 through and including November 20, 2009, all union employees shall contribute twenty percent (20%) of the cost of premiums towards their respective medical and dental insurance plans.
3. Continuing with the payment due on October 30, 2009 and continuing through and including November 20, 2009, funding to the JNESO and Local 68 union pension plans shall

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be suspended, with the Debtor remaining obligated to fund same, as well as the previously suspended pension plan payments, at some time after November 20, 2009, pursuant to a further order of the Court.

4. Continuing with the October 30, 2009 pay date which covers the pay period starting October 11 through October 24 through and including November 20, 2009, the following work rules in the Union Contracts identified below in parenthesis are hereby modified:

- Suspension of the Baylor Plan (Nurses' Contract)
- Overtime to be paid on productive hours actually worked (All Union Contracts)
- Suspension of paid lunch breaks (JNESO Contracts)

5. In the event a new CBA or Memorandum of Understanding is reached on or before November 20, 2009, the relief set forth herein may be further extended by the parties.

6. In the event the parties hereto do not reach a new CBA or Memorandum of Understanding or do not otherwise extend the relief set forth herein, then the Court shall conduct a hearing on the Debtor's motion seeking a further extension of the interim modifications under section 1113(e) of the Bankruptcy Code on November 20, 2009 at 10:00 a.m. or as soon thereafter as counsel may be heard (the "1113(e) Hearing").

7. Notwithstanding all the relief granted herein, in the event the parties are unable to reach a negotiated resolution, and the 1113(e) Hearing goes forward, the parties hereto reserve all rights, including but not limited to JNESO's and Local 68's right to argue that no Section

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1113(e) relief should have been granted after October 16, 2009, and that all such relief granted herein for the period after October 16, 2009 should be reserved and restored.

8. The Debtor's counsel shall serve a copy of this Order within one (1) day of the date hereof.

WE HEREBY CONSENT TO THE  
ENTRY OF THE WITHIN ORDER:

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By: /s/ Joseph L. Schwartz  
Joseph L. Schwartz

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New York, New York 10022  
212-605-0436  
Attorneys for Local 68

By: /s/ Terence D. Watson  
Terence D. Watson

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By: /s/ Robert K. Malone  
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